

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF PUERTO RICO

MINUTES OF PROCEEDINGS

CIVIL CASE NO: **96-2657(SEC)**

DATE: May 31, 2000

AQUA DESIGN OF PUERTO RICO

Plaintiff

v.

PUERTO RICO AQUEDUCT AND  
SEWER AUTHORITY, et. al.

Defendants

Special Master:

Reynaldo Quiñones-Marquez, Esq., C.P.A.

Attorneys:

Antonio Vergne-Mirabal, Esq

John M. García-Nokonechna, Esq.

Juan D. García-Chamorro, Esq.

Arlerne de-la-Matta, Esq.

SECOND SETTLEMENT CONFERENCE

At the settlement conference held today, all counsel for the parties were present. Also present was the Court Appointed Special Master, Reynaldo Quiñones-Márquez, Esq., C.P.A.

First in the Court's agenda was the approval of the Special Master's second invoice for services rendered. The same was reviewed and approved. The total due to the Special Master for services rendered during the period of October 1<sup>st</sup>, 1999 to May 24, 2000 is \$11,924.40 to be paid by the parties at \$5,962.20 each. In addition, the parties shall pay a total of \$4,700.00 to Engineer Justino Ferrer Hopgood, a technician hired by the Special Master to aid him in the preparation of his report. This amount shall be paid by the parties at \$2,350.00 each.

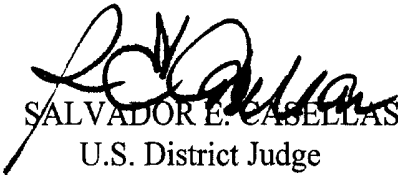
The Court provided the parties **thirty (30) days (that is until June 30, 2000) to pay the above referenced amounts.** After that date the total due will accumulate interest at a rate of nine percent (9%). No extensions will be granted.

The Court's second issue in the agenda was the review of the Special Master's preliminary report and the objections filed by the parties. In this regard, the Court ordered both parties to provide the Special Master with company records or other documents that establish the amount of water produced by Aqua Design **during its contract** with PRASA, **and for five months thereafter**, in order to ascertain whether it was operating under a deficit or not. The Court gave the parties fifteen days to produce these documents, that is **until June 15, 2000.**

The Court indicated that it will consider any challenge by Plaintiff to the reasonability of the amounts paid by PRASA for water transportation to Culebra, if that challenge is supported by adequate and credible proof. In addition, the parties discussed the possibility of a settlement based on the Special Master's report and counsel will propose settlement to their respective clients.

89

Finally, the Court instructed the Special Master to consider any objections and proposed modifications to his preliminary report, in order to prepare a final report to be filed with the Court within thirty days of the parties' production of the above mentioned documents.



SALVADOR E. CASELLAS  
U.S. District Judge